

**GOVERNMENT OF INDIA
FINANCE
LOK SABHA**

UNSTARRED QUESTION NO:5806
ANSWERED ON:03.05.2002
DISINVESTMENT OF BANKING SECTOR
KAMBALAPADU E. KRISHNAMURTHY

Will the Minister of FINANCE be pleased to state:

- (a) whether Government are considering to accept the demands of the bank employees concerning job security in view of the disinvestment in the banking sector;
- (b) if so, the details thereof;
- (c) whether any guidelines have been framed to safeguard their interest; and
- (d) if so, the stand of the Government in this regard?

Answer

MINISTER OF STATE IN THE MINISTRY OF FINANCE (SHRI GIN GEE N. RAMACHANDRAN)

(a)to(d) : No proposal of disinvestment in the banking sector is under consideration of the Government. However, a bill to amend the Banking Companies (Acquisition and Transfer of Undertakings) Act, 1970/1980 with a view to modifying the stipulation of minimum prescribed Government shareholding in nationalised banks from 51% to 33% has been introduced in Lok Sabha. Even after reduction of Government equity in nationalised banks below 51 %, the interest of employees will be fully safeguarded as the public sector character of the banks is not being diluted and they would continue to be governed by the provisions of the above Act..